



Fresh Apples, Grapes, and Pears: World Markets and Trade

FRESH APPLES

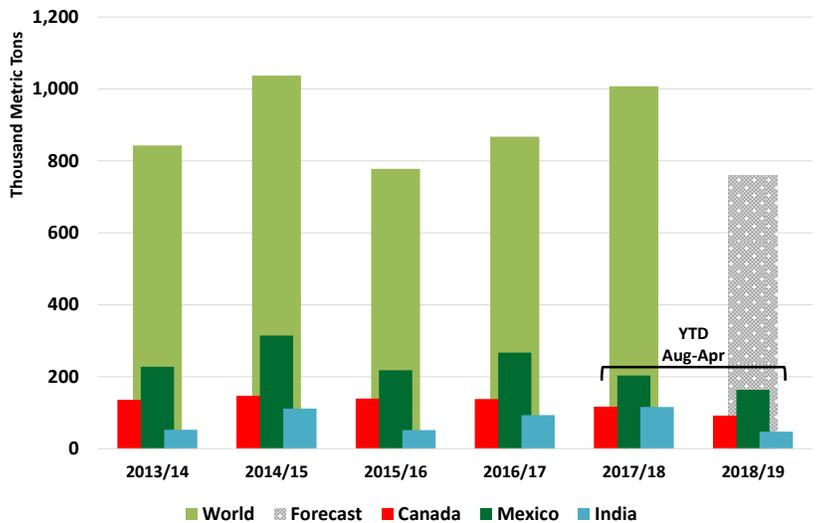
World production for 2018/19 is projected to plunge 5.7 million metric tons (tons) from the previous year to 68.7 million, its lowest level in 8 years, as China sustained substantial losses from damaging weather that more than offsets gains in the European Union (EU). Reduced output is expected to force exports lower by nearly half a million tons to 5.7 million, while diminished export-quality supplies depress consumption and bump up processing.

China's production is estimated to tumble to its lowest level in 9 years, dropping 25 percent to 31.0 million tons as April frost and heavy rain and hail in May caused significant crop damage in major producing provinces. With lower supplies, exports are also expected to plunge, falling nearly one-third to 880,000 tons. Imports are projected up 12,000 tons to 75,000 as greater shipments from New Zealand and the European Union more than offset lower supplies from the United States. The United States currently remains China's top Northern Hemisphere supplier though it continues to face a 50-percent retaliatory tariff.

EU production is expected to rebound from last year's frost, surging 40 percent to 14.0 million tons as a mild winter leads to increases in harvested area and also improves yield. A significant jump in shipments to Egypt and India, spurred by higher supplies, is expected to help drive exports up nearly 500,000 tons to 1.2 million while imports are set to contract to 470,000 tons on lower import demand.

U.S. production is projected down 37,000 tons to 5.0 million on lower fruit set in top-grower Washington. The National Agricultural Statistics Service (NASS) surveyed industry and published a U.S. forecast for apple production in the August 2018 *Crop Production* report. NASS will issue the next 2018/19 estimate on June 18 in the *Noncitrus Fruits and Nuts 2018 Summary*. Exports are estimated to fall nearly 25 percent to 760,000 tons partly influenced by retaliatory tariffs on U.S. apples by Mexico and continued uncertainty over India tariffs. In response to Section 232 tariffs on steel and aluminum, Mexico placed a 20-percent retaliatory tariff on U.S. apples effective June 5, 2018, which was lifted on May 20, 2019, while India continues to delay implementation of a 25-percent retaliatory tariff. Imports are anticipated to rise to 160,000 tons on higher demand from Southern Hemisphere suppliers New Zealand and Chile.

U.S. Apple Exports See Losses to Top Markets



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Turkey's production is projected to rise 250,000 tons to 3.0 million on good growing conditions in the winter and during bloom and fruit set. Driven by improved supplies, exports are expected to surge over 50,000 tons to 240,000, with higher shipments especially to Iraq.

India's production is estimated to rise nearly 400,000 tons to 2.3 million, rebounding from last year's weather-affected crop. Imports are anticipated to remain constant at 245,000 tons as higher shipments from the European Union, New Zealand, and Chile contribute towards filling the gap left from lost China supplies and lower U.S. deliveries, India's top two suppliers. A 2017 ban on China apples remains in place.

Russia's production is projected to go up 143,000 tons to 1.5 million driven by higher yield in commercial production. Commercial orchards have improved as government support has stimulated a range of investments, from new orchards to improved maintenance. For the first time since 2008/09, commercial production is surpassing non-commercial or household production. Imports are expected to ease 64,000 tons to 795,000 on improved supplies and lower shipments from China.

Chile's production is expected to contract slightly to 1.3 million tons due to heavy rain during fruit set and higher-than-usual summer temperatures. In line with production, exports are forecast down 40,000 tons to 739,000 on lower supplies.

South Africa's production has yet to make a complete recovery after years of drought, but output is projected to rise 50,000 tons to 840,000 on good supplies of irrigation water following improved winter rainfall. Production gains are expected to drive exports up 20 percent to a near-record 540,000 tons.

Mexico's production is estimated down over 50,000 tons to 660,000, the third straight year of declines, as a late frost affected orchards in the states of Coahuila and Durango. Despite lower supplies, imports are set to decline to 240,000 tons as a 20-percent retaliatory tariff on U.S. product limited imports from June 2018 through most of May 2019. The tariff was lifted on May 20, 2019.

Argentina's production is expected to see a slight boost, rising 30,000 tons to 590,000 on higher yield though planted area and harvested area continue to decline. Faced with persistent high input costs and limited ability to invest in orchard health, growers continue to be pressured into abandoning, removing, or converting orchards into more profitable crops such as grapes and alfalfa. Despite higher output, exports are projected slightly lower to 90,000 tons on lower EU demand.

New Zealand's production is forecast nearly flat at 560,000 tons, slipping 15,000 on smaller fruit size despite good quality on good growing conditions. Planting area continues to rise 3 to 4 percent annually, reflecting continued grower confidence in the industry's future. Exports are expected to remain steady at 370,000 tons as higher shipments to Vietnam offset reduced deliveries to the European Union due to lower demand.

FRESH TABLE GRAPES

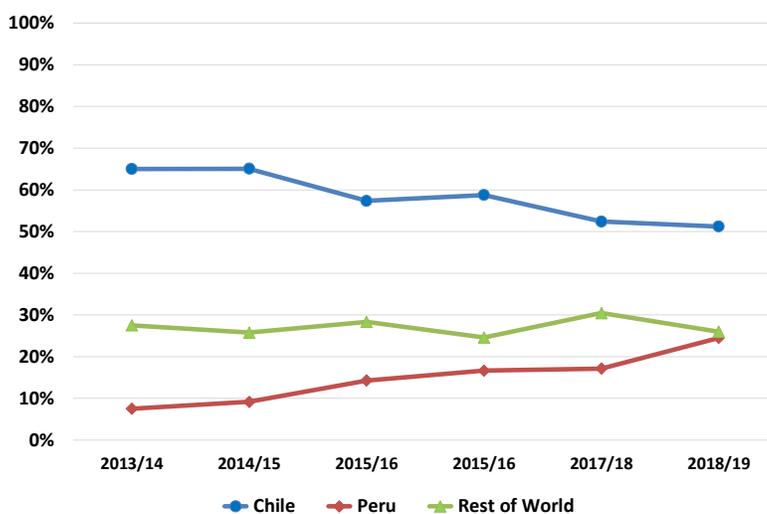
World production is projected down to 22.1 million tons, slipping 1.3 million from the previous year on weather-related losses in China and Turkey. Diminished output in Turkey is expected to reduce shipments, pressuring both exports and imports slightly lower to 3.1 million tons.

China's production is estimated down 1.0 million tons to 9.5 million due to severe frost in April in Hebei and Shaanxi Provinces. In spite of lower supplies, China remains a net exporter; shipments are expected to continue their upward trend on a slight rise to 290,000 tons as strong gains in Indonesia more than offset losses in Thailand and Vietnam. Imports are also expected to rise to a record 265,000 tons on significantly higher shipments from Peru.

EU production is expected to rise up over 100,000 tons to 1.6 million, reflecting a rebound in Italy's output as vineyards recover from last year's rain-damaged crop. Consumer demand for seedless grapes has spurred replacement of seeded varieties, stimulating growth in planting area for a second straight year after a decade of decline. Exports remain unchanged at 78,000 tons, while imports are expected to be slightly elevated to a record 690,000 as deliveries from Peru more than offset losses from Turkey and Egypt.

U.S. production is estimated up 80,000 tons to 1.0 million on good growing conditions. The National Agricultural Statistics Service (NASS) surveyed industry and published a U.S. forecast for grape production in the August 2018 *Crop Production* report. NASS will issue the next 2018/19 estimate on June 18 in the *Noncitrus Fruits and Nuts 2018 Summary*. Final trade data shows exports rose 33,000 tons to 368,000 as higher supplies boosted deliveries to Mexico and Asian markets. Imports fell 48,000 tons to 571,000 as lower shipments from Mexico's weather-damaged crop more than offset record deliveries from rebounding Peru. Shipments from Peru were up 25 percent to 132,000 tons but down 10 percent to 292,000 from top supplier Chile.

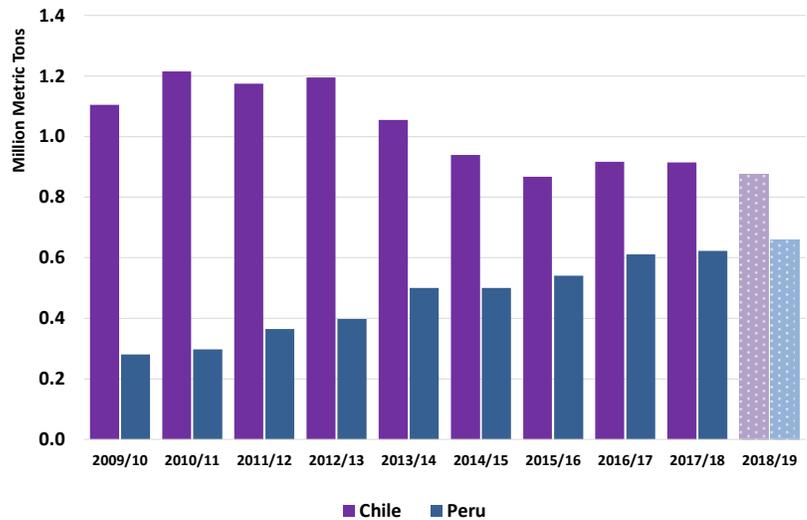
Peru Increasing Market Share of U.S. Table Grape Imports



Chile's production is forecast slightly lower to 875,000 tons on reduced yield following high summer temperatures. Diminished supplies are expected to pressure exports down to its lowest level since the 2001/02 season, falling to 660,000 tons on significantly reduced shipments to the United States. Chile faces increasingly strong headwinds to maintain its U.S. market share as the industry works to transition vineyards to new consumer-preferred varieties and to adjust to the now permanent early and significant market presence of Peru. The United States currently accounts for nearly half of Chile's exports, however, in the last 5 years, Chile's market share of U.S. imports has dropped from 65 percent to 51 percent.

Peru's production is expected to return to its pattern of growth, rising to 658,000 tons as vineyards rebound from last year's excessive rain. Exports are anticipated to surge 37 percent to a record 380,000 tons as rejuvenated supplies drive shipments higher, especially to top markets United States and the European Union. In the last 5 years, while the share of grapes going to the European Union has remained steady at 25 percent, U.S. share has risen from 16 to 37 percent. The United States became Peru's top market in 2016/17.

Peru Grape Production Climbs While Chile Stagnates



India's production is estimated down 100,000 tons to 2.7 million as late rains delayed pruning. Despite reduced supplies, exports are expected to rise to a record 205,000 tons on strong demand from the European Union and Russia.

Turkey's production is anticipated to decline 220,000 tons to 1.9 million as heavy August rains damaged crops in the Aegean Region. Exports are expected to plunge 36 percent to 180,000 tons as reduced output limits shipments to top markets Russia and the European Union.

South Africa's production is forecast to improve only slightly to 315,000 tons on improved irrigation water supplies and expanding harvest area. Exports are expected to make a slight rise to 285,000 tons despite a deeper presence of Peru and India product in South Africa's top markets.

Russia's production is expected to rise to 31,000 tons on stable planting area. Lower available supplies from Turkey are expected to reduce imports nearly 90,000 tons to 300,000.

FRESH PEARS

World production is projected down 3.1 million tons from the previous year to 19.4 million as an April freeze caused considerable losses in China. Exports are estimated down 176,000 tons to 1.7 million on lower supplies, while imports are expected to contract slightly to 1.6 million.

China's production is estimated to drop 20 percent to 13.1 million tons as a severe April freeze during bloom caused considerable losses in the major growing provinces of Hebei and Shandong. Exports are projected to plunge nearly 30 percent to 390,000 tons on the smaller crop while imports remain unchanged despite lower supplies.

EU production is anticipated to rise nearly 140,000 tons to 2.5 million as good growing conditions improve supplies in the Netherlands, more than offsetting weather-related losses in Portugal. Despite higher supplies, exports are estimated down 25,000 tons to 320,000 as deliveries to Belarus continue to decline and Portugal's diminished crop reduces shipments to Brazil. Imports are projected to remain flat at 200,000 tons on higher domestic supplies.

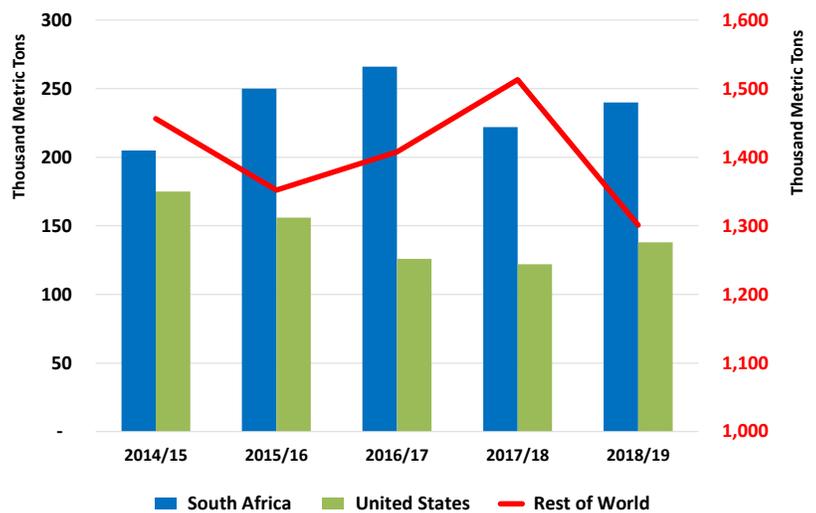
U.S. production is expected to hold steady at 667,000 tons as higher output in Washington and Oregon offset California losses from a freeze during bloom and increased incidence of fire blight disease. The National Agricultural Statistics Service (NASS) surveyed industry and published a U.S. forecast for pear production in the August 2018 *Crop Production* report. NASS will issue the next 2018/19 estimate on June 18 in the *Noncitrus Fruits and Nuts 2018 Summary*. Exports are estimated up 18,000 tons to 140,000 on strong demand from Mexico, while imports are down to 73,000 tons on Argentina's reduced supplies of export-quality pears.

Argentina's production is forecast to see only a slight improvement to 600,000 tons as orchards experienced poor growing conditions during the winter and spring (June-November), impacting fruit quality and size. In spite of steady supplies, exports are projected down to 290,000 tons on lower deliveries to top market Brazil. Brazil announced a ban on Argentina pears following the detection of *Carpocapsa* larvae in February 2019. It was lifted just 2 months later in April, yet 35 percent of shipments to Brazil occur February through April.

Chile's production is projected down slightly to 252,000 tons as yield remains steady amidst declining planting area. Exports are forecast lower to 120,000 tons on diminished output.

South Africa's production is forecast nearly unchanged at 410,000 tons as trees continue to recover from previous years of drought and planting area resumes an upward trend. Exports are set to rise 18,000 tons to 240,000 on higher shipments to Asian markets.

U.S. and South Africa Pear Exports Up Amidst Global Decline



Russia's production is expected to remain steady at 211,000 tons on normal yield and unchanged planting area. Imports are projected down 30,000 tons to 255,000 on lower exportable supplies from China. Despite Russian's ban on pear imports from certain countries, retailers remain heavily import-dependent, with imports continuing to account for nearly 70 percent of domestic consumption.

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Marketing Years:

Apples - The United States and Mexico are on an August-July marketing year. All other Northern Hemisphere countries are on a July-June marketing year. Southern Hemisphere countries are on a calendar year indicated as the second year of the split year.

Table Grapes - The United States and Mexico are on a May-April marketing year. All other Northern Hemisphere countries are on a June-May marketing year. The Southern Hemisphere countries of Argentina, Chile, Peru, and South Africa are on an October-September marketing year.

Pears - Northern Hemisphere countries are on a July-June marketing year. Southern Hemisphere countries are on a calendar year indicated as the second year of the split year.

Note: The Foreign Agricultural Service (FAS) did not update the 2018/19 production forecast for the United States in this scheduled report. In October 2018, the National Agricultural Statistics Service (NASS) announced it would not publish the *Noncitrus Fruits and Nuts 2018 Preliminary Summary*, which

would have provided updated U.S. production data. NASS will publish final 2018/19 U.S. production data in the June 2019 *Noncitrus Fruits and Nuts 2018 Summary*, and FAS will publish the final 2018/19 U.S. production data in the December 2019 issue of *Fresh Deciduous Fruit: World Markets and Trade (Apples, Grapes, & Pears)*. http://www.nass.usda.gov/Newsroom/Notices/2016/01_07_2016.php

The next publication of this circular will be on December 6, 2019.

Apples, Fresh: Production, Supply and Distribution in Selected Countries

(1,000 Metric Tons)

	2014/15	2015/16	2016/17	2017/18	Dec 2018/19	Jun 2018/19
Production						
China	37,350	38,900	40,393	41,390	31,000	31,000
European Union	13,636	12,453	12,723	10,014	14,009	14,009
United States	5,112	4,546	5,010	5,085	5,048	5,048
Turkey	2,289	2,740	2,900	2,750	3,000	3,000
Iran	2,500	2,799	2,799	2,799	2,799	2,799
India	2,498	2,520	2,258	1,920	2,300	2,300
Russia	1,409	1,311	1,509	1,360	1,503	1,503
Chile	1,210	1,335	1,310	1,330	1,250	1,264
Ukraine	1,180	1,099	1,099	1,099	1,099	1,099
Brazil	1,265	1,049	1,049	1,049	1,049	1,049
Other	5,688	5,732	5,680	5,555	5,588	5,616
Total	74,136	74,484	76,731	74,350	68,645	68,687
Fresh Dom. Consumption						
China	33,470	33,826	34,682	35,371	27,025	27,195
European Union	7,781	7,544	7,750	6,533	7,787	7,904
United States	2,714	2,553	2,817	2,672	2,838	2,928
Turkey	2,064	2,532	2,576	2,452	2,671	2,651
Iran	2,213	2,365	2,566	2,075	2,581	2,479
India	2,681	2,311	2,231	1,919	2,213	2,236
Russia	1,803	1,646	1,583	1,807	2,203	1,818
Other	9,975	10,382	10,282	9,973	9,817	9,626
Total	62,700	63,159	64,487	62,802	57,134	56,837
For Processing						
European Union	4,139	3,601	3,817	3,247	5,345	5,345
China	3,200	4,000	4,400	4,800	3,000	3,000
United States	1,524	1,404	1,497	1,540	1,510	1,520
Russia	370	335	459	349	44	414
Chile	332	320	310	310	291	286
Argentina	300	230	232	217	191	237
Canada	151	142	172	157	160	160
Other	597	585	508	471	480	480
Total	10,613	10,616	11,395	11,090	11,020	11,441
Imports						
Russia	820	746	657	859	815	795
European Union	400	451	425	529	493	470
Iraq	202	296	238	307	230	300
Egypt	201	267	145	72	190	250
India	204	202	370	249	225	245
Mexico	314	218	267	287	275	240
Canada	217	230	221	222	220	210
Bangladesh	151	204	245	244	185	200
Belarus	724	657	544	223	400	200
Saudi Arabia	150	162	174	153	175	165
Other	2,714	2,929	2,897	2,849	2,634	2,561
Total	6,099	6,362	6,183	5,994	5,842	5,636
Exports						
European Union	1,792	1,590	1,487	761	1,370	1,230
China	748	1,151	1,381	1,282	1,050	880
United States	1,037	778	868	1,008	850	760
Chile	628	765	716	779	720	739
South Africa	466	511	553	449	550	540
New Zealand	329	347	345	369	390	370
Iran	288	435	233	725	218	320
Turkey	128	109	215	189	220	240
Serbia	153	233	239	156	190	150
Azerbaijan	54	34	75	80	65	100
Other	920	549	396	406	413	419
Total	6,542	6,502	6,509	6,204	6,036	5,748

Note: The United States and Mexico are on an August-July marketing year. All other Northern Hemisphere countries are on a July-June marketing year. Southern Hemisphere countries are on a calendar year indicated as the second year of the split year.

Grapes, Fresh Table: Production, Supply and Distribution in Selected Countries

(1,000 Metric Tons)

	2014/15	2015/16	2016/17	2017/18	Dec 2018/19	Jun 2018/19
Production						
China	8,800	10,000	10,100	10,500	9,450	9,450
India	2,823	2,590	2,784	2,800	2,700	2,700
Turkey	2,350	2,005	2,350	2,120	1,900	1,900
Uzbekistan	1,579	1,580	1,580	1,580	1,580	1,580
European Union	1,638	1,753	1,718	1,453	1,557	1,557
United States	955	947	943	935	1,015	1,015
Brazil	1,498	985	985	985	985	985
Chile	939	868	917	915	905	875
Peru	500	540	611	623	658	658
South Africa	291	285	334	308	330	315
Other	1,212	1,164	1,058	1,143	1,072	1,072
Total	22,586	22,716	23,381	23,361	22,151	22,106
Fresh Dom. Consumption						
China	8,899	10,022	10,080	10,464	9,430	9,425
India	2,752	2,220	2,356	2,384	2,301	2,276
European Union	2,131	2,280	2,280	2,061	2,166	2,169
Turkey	2,094	1,831	2,177	1,841	1,666	1,721
Uzbekistan	1,521	1,474	1,483	1,454	1,510	1,460
United States	1,113	1,150	1,189	1,217	1,255	1,218
Brazil	1,495	982	964	964	970	970
Russia	389	346	228	412	382	330
Korea, South	324	293	294	293	309	314
Ukraine	342	273	291	293	295	287
Other	1,411	1,521	1,624	1,732	1,585	1,696
Total	22,471	22,390	22,966	23,115	21,868	21,864
Imports						
European Union	604	615	649	686	688	690
United States	547	530	593	618	580	571
Russia	302	256	213	387	352	300
China	226	249	237	242	200	265
Hong Kong	215	232	229	250	225	260
Canada	175	170	176	180	181	185
Thailand	89	131	157	143	120	125
Indonesia	48	49	68	81	85	105
Mexico	69	67	76	81	80	102
Vietnam	51	76	74	101	75	95
Other	360	369	397	374	358	365
Total	2,686	2,744	2,867	3,143	2,944	3,063
Exports						
Chile	761	688	731	731	720	660
Peru	280	297	311	277	360	380
United States	389	328	347	336	340	368
China	127	227	257	278	220	290
South Africa	264	255	304	279	300	285
Hong Kong	172	190	212	214	170	210
India	76	160	202	180	180	205
Turkey	257	175	173	280	235	180
Mexico	152	164	156	196	148	145
Uzbekistan	59	106	97	126	70	120
Other	241	241	246	237	254	231
Total	2,777	2,830	3,035	3,134	2,997	3,074

Note: The United States and Mexico are on a May-April marketing year. All other Northern Hemisphere countries are on a June-May marketing year. Southern Hemisphere producer countries of Argentina, Chile, Peru, and South Africa are on an October-September marketing year, and Australia and Brazil are on a calendar year indicated as the second year of the split year. Some countries may include raisin-type and/or table-type grapes.

Pears, Fresh: Production, Supply and Distribution in Selected Countries

(1,000 Metric Tons)

	2014/15	2015/16	2016/17	2017/18	Dec 2018/19	Jun 2018/19
Production						
China	15,820	16,530	15,960	16,410	13,100	13,100
European Union	2,566	2,513	2,340	2,386	2,525	2,525
United States	754	729	668	663	667	667
Argentina	590	580	540	580	580	600
Turkey	305	415	440	420	450	450
South Africa	411	430	432	408	420	410
India	317	323	340	280	340	340
Japan	277	278	278	278	278	278
Chile	290	267	290	262	252	252
Korea, South	303	261	238	266	214	214
Other	552	536	618	592	595	594
Total	22,184	22,861	22,144	22,546	19,421	19,430
Fresh Dom. Consumption						
China	13,848	14,431	13,938	14,325	11,480	11,518
European Union	2,027	2,048	1,965	1,959	2,027	2,087
Turkey	282	381	414	366	395	395
Russia	400	397	390	411	405	390
United States	414	387	406	399	411	384
India	335	299	326	261	314	320
Japan	276	277	277	276	276	276
Korea, South	273	228	202	223	179	179
Indonesia	86	92	155	180	165	165
Brazil	201	162	171	173	185	165
Other	1,180	1,221	1,242	1,266	1,282	1,231
Total	19,321	19,923	19,486	19,840	17,119	17,110
For Processing						
China	1,650	1,700	1,520	1,550	1,200	1,200
European Union	294	356	275	281	318	318
United States	255	262	209	222	216	216
Argentina	153	170	160	167	150	210
South Africa	160	132	119	144	137	127
Chile	58	56	57	57	53	52
Russia	9	9	55	47	42	42
Turkey	7	10	10	10	10	10
Korea, South	6	10	10	11	7	7
India	0	7	7	6	7	7
Other	6	6	7	8	7	7
Total	2,599	2,718	2,430	2,502	2,147	2,196
Imports						
Russia	265	267	252	285	270	255
European Union	221	224	208	199	185	200
Indonesia	86	92	155	180	165	165
Brazil	179	147	156	158	170	150
Belarus	186	151	152	133	150	120
Hong Kong	72	76	68	73	80	85
Mexico	85	77	67	72	80	80
Other	542	584	598	615	609	570
Total	1,637	1,617	1,655	1,714	1,709	1,625
Exports						
China	332	407	509	543	430	390
European Union	417	310	308	345	365	320
Argentina	333	310	280	313	330	290
South Africa	205	250	266	222	240	240
United States	175	156	126	122	125	140
Chile	144	129	152	129	125	120
Belarus	163	122	92	83	85	85
Other	67	73	69	100	97	96
Total	1,836	1,758	1,800	1,857	1,797	1,681

Note: Northern Hemisphere countries are on a July-June marketing year. Southern Hemisphere countries are on a calendar year indicated as the second year of the split year.